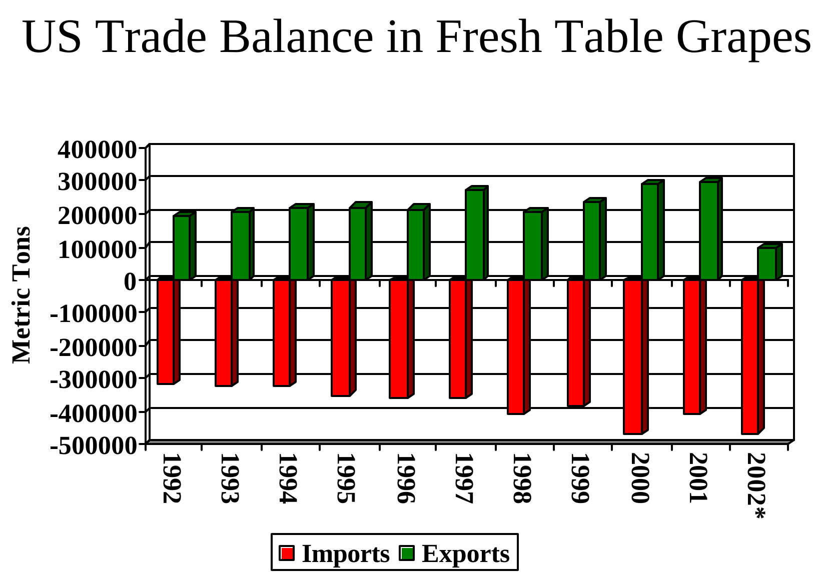
World Table Grape Situation and Outlook

U.S. total fresh market grape production in 2002 is expected to increase about 8 percent from last year to approximately 850,000 metric tons compared to 784,000 tons during 2001. Total California fresh market grape production is expected to be about 700,000 tons. Total production during the 2002 season for selected Northern Hemisphere table grape producing countries is expected to increase about 5 percent.

United States

Through August of this year, U.S. grape imports have increased 24 percent in volume compared to the same period a year ago. More product coming from Chile, Mexico, and South Africa accounts for most of the increase.

U.S. Table grape exports during the first eight months of 2002 are about even with the amount exported through the same time a year ago. Weaker markets in Asia, including Hong Kong and the Philippines, more than offset increases to the United Kingdom and Canada. Our largest market for grapes continues to be Canada with the United Kingdom ranking fifth. The height of the U.S. shipping season has not yet been captured in the data represented in the graph. In 2001, the United States ranked second behind Italy in export market share. The United States holds about 20 percent of the world export market. However, we are the top import market taking in about 22 percent of all imported grapes.



*January - August
Source: U.S. Department of Commerce, Bureau of the Census

The Market Access Program (MAP) is an important market development tool used to stimulate demand and fuel table grape exports. During MY 2002, the USDA/FAS and the California Table Grape Commission will share the cost of undertaking promotional activities in Asia, Latin America, and the United Kingdom.

New Zealand

New Zealand imports of Californian table grapes have resumed after a suspension of trade in November 2001 when black widow and other exotic spiders were found in U.S. shipments at New Zealand supermarkets. A revised Import Health Standard (IHS) was completed in early September. Under the new IHS, biosecurity procedures require a 100-percent visual inspection of grapes during harvest in the United States to ensure that grapes are free of any regulated pests such as spiders and glassy wing sharp shooters. The first consignments since the new IHS was issued arrived in New Zealand on October 12. For more information please refer to GAIN Report #NZ2032.

Canada

Canada's imports of table grapes from the United States are up 9 percent through August of this year. Last year, the United States supplied about 62 percent of the total grapes imported into Canada, Chile supplied about 24 percent, and Mexico only about 9 percent. The remaining 5 percent was shipped from Italy, South Africa, and Argentina. In recent years, Peru has begun to ship grapes to Canada, shipping about 350 tons in 2001, nearly seven times the amount shipped during 2000.

Mexico

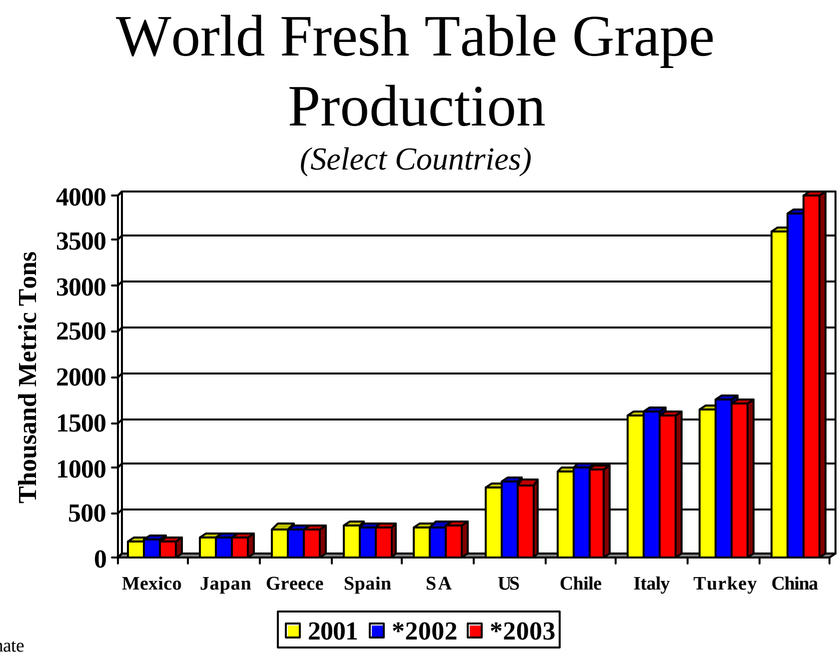
Mexico's grape production this year is expected to be up 6 percent from last year. Despite larger production levels and lower prices, better quality grapes from the United States may push total grape volume imported from the United States up about 6 percent from a year ago. On the down side, if the value of the Mexican peso continues to fall against the dollar, near term Mexican imports of grapes could be hindered.

Chile is expected to supply about 40 percent of Mexico's total imported grapes, while the United States is expected to supply the remainder. Chilean shipments do not compete directly with those from the United States; Chile typically exports to Mexico in June and July, while the United States exports primarily during August through December.

Chile

Table grape production is expected to increase 4 percent in 2002 to 997,000 tons, mainly due to the abnormally favorable weather in the northern growing areas. Next year's production is forecast to be down about 2 percent with potential for El Nino related weather patterns bringing more rain to the region. Exports this calendar year are expected to be up 9 percent from the previous year in part due to strong increases for Chilean product in China. The United States continues to be Chile's largest market. The recent Free Trade Agreement with the EU will provide Chile with a duty-free quota of 37,000 tons beginning in January 2003. Chile produces over 36 varieties of table grapes for export. Thompson Seedless, Flame Seedless and Ribier are the bulk of production. Production of the Red Globe variety has increased significantly in the last few years, as most replanting has been with this variety. Chile ranks third, after the United States, in terms of market share and held 19 percent in 2001.

China



* Estimate

China's production in CY 2002 is expected to be 3.8 million tons, up about 6 percent from the previous year's lowered estimate. Production next year could reach 4 million tons. The five largest grape producing provinces are Xinjiang, Hebei, Shandong, Liaoning, and Henan. As distribution and cold storage improves, it is expected that more domestic green seedless grapes will be available for domestic consumption. Table and wine grapes are more frequently being grown inside Chinese-style greenhouses throughout much of central and eastern China. This successful innovation is likely to change the grape industry in China as the greenhouses reduce pests, mitigate weather damage, and result in an earlier harvest and delivery to retail stores ahead of normal production schedules. Imports of grapes from the United States in 2001 declined from 27,000 tons to 22,000 tons, while imports from Chile increased from 25,000 to 27,000 tons. China's largest export market in 2002 was Russia, with 425 tons shipped; double the amount tons shipped just 2 years before. China is also shipping more grapes to countries such as Singapore, India and the United States. However, China continues to be very much a net importer of table grapes.

Greece

Greek production of table grapes this year posted a 6-percent decline, as heavy rainstorms in early August adversely affected the quantity and quality. Exports declined as a result of the lower production with less going to their top markets such as the United Kingdom, Germany, and the Netherlands. Production levels next year are expected to be up slightly. Grapes imported into Greece are minimal and occur either during the off-season or to fill demand of grape varieties not typically grown in country. Most imported product comes from Argentina and Chile. For detailed information on EU subsidies for the grape industry in Greece please refer to GAIN Report #GR2016.

Italy

During 2002, Italy's table grape output is expected to be about 1.58 million tons, down from the previous year due to a drought that affected both quantity and quality. Italy is a major net exporter of grapes and shipped approximately 667,000 tons during 2001, valued at approximately $535 million. Italy is the top world exporter and holds about 30 percent of world export trade. Top destination countries include Germany, France, Poland, Belgium, and Switzerland. During the off-season, Italy imported about 12,000 tons from foreign sources. Chile supplies about one fourth of the import market, shipping about 3,000 tons during 2001.

Spain

Spain's table grape production is expected to post another year of decline due to unusually heavy rain in the spring. Spain has been importing more grapes the last few years mainly from Italy, Chile, and South Africa. In 2001, the Spanish imported a total of 25,000 tons, up about 25 percent from the previous year.

Table grapes are exported mainly to Germany, Portugal, the United Kingdom, and France. The top market, Germany, bought 25,000 tons of grapes from Spain at a value of $21 million in 2001. The United Kingdom imported about 22,000 tons but at a much higher value totaling $23 million. Spain's long-growing season runs concurrent with that of the United States and brings about strong competition for market share.

Turkey

Turkey's grape acreage has been decreasing in recent years, although table grape production saw a slight increase during 2002 due to very favorable weather conditions. Next year's production is expected to show at least a 3-percent decline. About 45 percent of total Turkish grape production is consumed as fresh market table grapes. Turkey exported 79,000 tons of fresh grapes onto the world market during 2001. Russia imported about 35 percent of this while Germany imported 23 percent.

Table Grape Export Market Share 2001

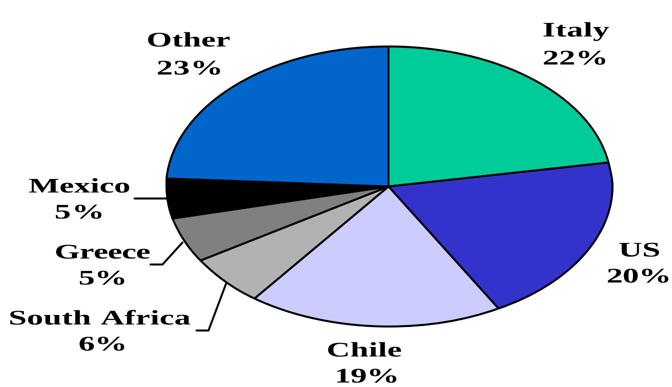


TABLE GRAPES: PRODUCTION, SUPPLY, AND DISTRIBUTION

Country/ Year 1/2/	Production 2/	Imports 3/	Total Supply	Exports Fresh Only	Domestic Fresh Consumption	For Processing	Withdrawal from Market
NORTHERN HEMISPHERE							
Greece							
2001	328,412	1,500	329,912	117,000	167,912	45,000	0
2002	310,000	7,957	317,957	115,000	162,957	40,000	0
2003	314,000	3,000	317,000	115,000	152,000	50,000	0
Italy							
2001	1,628,000	12,000	1,640,000	667,000	693,000	280,000	0
2002	1,580,000	12,000	1,592,000	650,000	672,000	270,000	0
2003	1,600,000	12,000	1,612,000	665,000	677,000	270,000	0
Japan							
2001	225,400	11,510	236,910	36	209,574	27,300	0
2002	235,200	13,000	248,200	30	219,670	28,500	0
2003	235,800	17,324	253,124	24	224,600	28,500	0
China: Peoples Republic of							
2001	3,600,000	48,587	3,648,587	667	3,015,720	632,200	0
2002	3,800,000	55,000	3,855,000	660	3,054,340	800,000	0
2003	4,000,000	57,000	4,057,000	660	3,056,340	1,000,000	0
Mexico							
2001	188,175	75,060	263,235	97,739	165,496	0	0
2002	200,200	83,000	283,200	124,000	159,200	0	0
2003	189,800	87,000	276,800	110,000	166,800	0	0
Spain							
2001	351,000	19,700	370,700	113,400	235,800	19,000	2,500
2002	342,400	24,800	367,200	96,400	242,800	20,000	8,000
2003	332,000	28,000	360,000	90,000	242,000	20,000	8,000
Turkey							
2001	1,650,000	120	1,650,120	79,294	1,490,826	80,000	0
2002	1,750,000	100	1,750,100	80,000	1,585,100	85,000	0
2003	1,700,000	100	1,700,100	80,000	1,535,100	85,000	0
United States							
2001	784,184	408,937	1,193,121	298,666	894,455	0	0
2002	850,000	490,000	1,340,000	268,800	1,071,200	0	0
2003	810,000	475,000	1,285,000	280,000	1,005,000	0	0
Subtotal							
2001	8,755,171	577,414	9,332,585	1,373,802	6,872,783	1,083,500	2,500
2002	9,067,800	685,857	9,753,657	1,334,890	7,167,267	1,243,500	8,000
2003	9,181,600	679,424	9,861,024	1,340,684	7,058,840	1,453,500	8,000

Country/ Year 1/2/	Production 2/	Import 3/	Total Supply	Exports Fresh Only	Domestic Fresh Consumption	For Processing	Withdrawal from Market
SOUTHERN HEMISPHERE							
Chile							
2001	955,000	12	955,012	545,000	100,000	310,012	0
2002	997,000	15	997,012	595,000	99,000	303,012	0
2003	975,000	12	975,012	596,000	99,000	280,012	0
South Africa; Republic of							
2001	346,060	0	346,060	181,834	24,555	139,671	0
2002	350,000	0	350,000	185,000	25,000	140,000	0
2003	370,000	0	370,000	190,000	28,000	152,000	0
Subtotal							
2001	1,301,060	12	1,301,072	726,834	124,555	449,683	0
2002	1,347,000	15	1,347,012	780,000	124,000	443,012	0
2003	1,345,000	12	1,345,012	786,000	127,000	432,012	0
Total Selected Countries							
2001	10,056,231	577,426	10,633,657	2,100,636	6,997,338	1,533,183	2,500
2002	10,414,800	685,872	11,100,669	2,114,890	7,291,267	1,686,512	8,000
2003	10,526,600	679,436	11,206,036	2,126,684	7,185,840	1,885,512	8,000

1/ 2002 = Estimate, 2003 = Forecast

2/ Calendar year for all countries.

3/ U.S. production data represent fresh market utilization.

4/ U.S. exports and imports are from the Bureau of the Census with forecasts by the USDA/Foreign Agricultural Service.

SOURCES: FAS Agricultural Attaché Reports, Bureau of the Census, NASS/USDA.